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SENATOR PUSHED OFFICIALS ON MONDAWMIN PROJECT;
SUN EXCLUSIVE

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BODY:

State Sen. Ulysses Currie, whose ties to Shoppers Food and Pharmacy are under federal investigation, intervened several times in recent years on behalf of the grocery store chain when it was seeking public financing and other concessions as part of the multimillion-dollar redevelopment of Mondawmin Mall in West Baltimore, according to interviews and records obtained by The Sun.

Currie, a Prince George's County Democrat who is chairman of an influential committee that oversees the state's budget, arranged meetings and contacted city and state officials at critical junctures in the years-long negotiations. He once convened a meeting at a Bowie seafood restaurant to allow Shoppers to air concerns that it couldn't move forward with the deal without more public financing, according to interviews and e-mails, calendars and other documents sought under Maryland's Public Information Act.

The deal to redevelop Mondawmin Mall has become a focal point for federal investigators, who late Tuesday issued a grand-jury subpoena on the state Department of Business and Economic Development. The subpoena, the latest in a series served on agencies as well as Currie and Shoppers, seeks information on meetings between DBED officials and Currie regarding Shoppers and financial incentives for the grocer at Mondawmin Mall and elsewhere.

The documents provide the most extensive picture yet of Currie's intervention on behalf of the company, actions that appear to have sparked an FBI raid on his house in late May. Currie referred questions to his attorney, Baltimore defense lawyer Dale Kelberman, who didn't return a phone call yesterday. Another attorney for Currie, William H. Murphy Jr., declined to comment.

The federal inquiry appears to focus in part on Currie's employment as an outside consultant for Shoppers, a fact that the senator didn't reveal on financial reports required of lawmakers and that he didn't share with a number of state

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and city officials contacted by The Sun. Supervalu Inc., the grocery store chain's parent company, has confirmed that Currie worked for the company, but officials have declined to say when.

"We continue to cooperate with the FBI but are not providing any specific details" to the news media, said a Supervalu spokeswoman, Haley M. Meyer.

Past and current state officials said that they thought Currie's involvement was unusual, since he doesn't represent Baltimore, but that the senator explained his interest either as a matter of constituent services - Shoppers is based in his district - or as a way to honor the memory of longtime state Del. Howard P. Rawlings, who championed the Mondawmin project to revitalize the city. Rawlings died in November 2003.

"My first-blush reaction was, 'Wait a minute,' " said James Henry, managing director of finance programs at the DBED, who attended the meeting at Rip's restaurant in Bowie. "I can remember initially being puzzled as to why we would hear from a Prince George's County lawmaker about Shoppers, and then someone told me that Shoppers has a major operation in that jurisdiction."

The federal investigation came to light when the FBI carried out simultaneous raids on Currie's District Heights home and Shoppers' Lanham headquarters. Since then, several state agencies have been served grand-jury subpoenas, including the Department of Legislative Services, the Maryland Transit Administration, the State Highway Administration and the Motor Vehicle Administration.

Currie also took an interest in 2006 in the commercial development of an area near the West Hyattsville Metro station that involved Shoppers and pressured state highway officials the year before to expedite a traffic light project near a shopping center where the grocery chain planned to open a store, according to an e-mail written at the time by a state highway official.

Mondawmin Mall, which opened in 1956, is one of the oldest shopping malls on the East Coast. State and city officials envisioned its redevelopment as a way to bring a full-service supermarket and more retailers to the long-neglected center of Baltimore's inner city. The Liberty Heights mall employs 900 people, and the redevelopment was expected to bring 700 construction jobs, according to a financial analysis. Shoppers ultimately did open a store at Mondawmin in November 2007, and a Target store is expected to open by late summer.

In December 2003, Currie intervened to address a dispute that arose over the Motor Vehicle Administration's reluctance to relocate from its Mondawmin location to make room for the proposed Shoppers grocery there. The transportation agency wasn't willing to accept alternatives proposed by Columbia-based Rouse Co., which owned the mall property at the time. Currie arranged a meeting between then-Transportation Secretary Robert L. Flanagan, Rouse executive Wayne Christmann and three Supervalu officials, according to the documents.

Before the meeting, Currie had approached then-MVA Administrator Anne S. Ferro about Mondawmin, according to a November 2003 letter from Ferro to Currie. In the letter, she aired frustrations that negotiations between the MVA and Rouse had delayed a "much-needed renovation to the existing MVA facility, which is experiencing roof leaks, rodent infestation, and a deteriorating interior."

Failing to reach an agreement to relocate the MVA branch office, state officials instead extended their Mondawmin lease, which is now "drawing to a close," said Transportation Department spokesman Jack Cahalan. Meanwhile, a new store for Shoppers was built adjacent to the existing mall building.

The Mondawmin project hit another snag in early 2004 when Supervalu told state officials that it needed \$2 million to close the deal with Rouse. Getting a new grocery at the mall was considered a top priority, and a \$3.6 million low-interest loan from the DBED to Rouse was considered essential, Henry said. Rouse lowered the rent to "rock bottom," Henry said, and the DBED agreed to forgive \$540,000 of the loan to be passed through to Supervalu.

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Currie stepped in and called Jeanne Hitchcock, a liaison between the General Assembly and then-Mayor Martin O'Malley, according to a March 2004 e-mail she sent to O'Malley's chief of staff. She wrote that Currie "said the Mondawmin grocery store project has stalled because of Rouse. He wanted to know what I could find out. Said the governor was willing to intercede but knows the mayor is interested as well. Any intelligence would be appreciated."

The following month, Currie set up a meeting at the Bowie restaurant with Henry and a Shoppers official as well as Kevin Malachi, who worked at Baltimore Development Corp. at the time and orchestrated many of the deals that brought grocers to the city.

Aides to Governor O'Malley and to former Gov. Robert L. Ehrlich say that both supported the project but that neither recalled speaking with Currie about Shoppers or Mondawmin.

Shoppers never did get the pass-through financing, though, because the project changed significantly when Chicago-based General Growth Properties Inc. bought Rouse in November 2004. General Growth dramatically expanded the scope of the project, Henry said, and state officials decided to convert the \$3.6 million loan into a \$1.8 million grant.

General Growth also secured tax increment financing from the Baltimore Development Corp. for infrastructure improvements. The city issued the \$12.2 million bond in January, said Stephen M. Kraus, the city's treasury management bureau chief. The money is being held in an escrow account until the city verifies General Growth's expenditures. The bond will be repaid with increased tax revenues generated by the redeveloped property.

According to documents obtained by The Sun related to the state prosecutor's investigation of Mayor Sheila Dixon, Currie was scheduled to meet with her and with developer Ronald H. Lipscomb at the time that he was advocating on behalf of the Shoppers project at Mondawmin. Lipscomb's company, Doracon Contracting, subsequently got a subcontracting job at the mall.

The prosecutor's documents indicate that Dixon and Lipscomb had a personal relationship, which they have acknowledged, and that they exchanged gifts and traveled together. The documents do not say what the meeting with Currie was about, and officials with Chesapeake Contracting Group, the general contractor at Mondawmin that hired Doracon in mid-2007, say the company was selected through a competitive bid process.

While many officials say they thought Currie's interest in Shoppers was a matter of constituent services, former DBED Secretary Aris Melissaratos said he suspected that Currie was working for Shoppers.

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Sun reporter John Fritze contributed to this article.

Online

Get background on the investigation into state Sen. Ulysses Currie at baltimoresun.com/currie

GRAPHIC: PHOTO(S) / ILLUSTRATION(S)

1. Maryland Sen. Ulysses Currie is under federal investigation for his ties to Shoppers Food and Pharmacy. 2.

MEETING ARRANGED BY CURRIE

1. [Sun photographer] 2. SUN NEWS GRAPHIC

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